Executive Summary

Since September 2014, Slovenia has been governed by a center-left coalition led by Prime Minister Miro Cerar and his Modern Center Party (SMC). Despite some differences in opinions and some visible cracks, the ruling thee-party coalition managed to stay together and, in some cases, even succeeded in getting part of the (divided) opposition on board. While the Cerar government has brought some stability to the country, it failed to improve public trust in key political institutions and maintain the strong public support it held when it first came into office. Quite to the contrary, trust in government has fallen to the lowest levels found among citizens in all of the OECD member countries. Frustration was fueled by the highest number of ministerial resignations in the first year in office of any government since gaining independence in 1991, and the lack of transparency and any merit standards when recruiting civil servants to the highest political positions.

In 2015, the Slovenian economy continued to recover from the economic recession of 2008-2013. The country’s robust economic growth resulted in a decline in unemployment and has helped reduce the fiscal deficit. However, public debt reached an all-time high in 2015. In addition, the government has been slow to implement the “debt brake” anchored in the constitution in May 2013. Finally, Slovenia still features the largest long-term sustainability gap in the EU, which can be attributed to the fatal combination of a rapidly aging population and the lack of pension and health care reforms. The Cerar government has announced plans to adopt major tax, health care, pension and education reforms, but to date has failed to deliver on these promises.

While Slovenia’s Commission for the Prevention of Corruption returned to its tasked objective after resolving quarrels in 2014, and the government adopted a new two-year anti-corruption plan in January 2015, the spectacular dissolution of two high-profile corruption cases has raised doubts about the judiciary’s independence and professionalism. Further concerns about the quality of democracy in Slovenia have arisen from the acquisition in July 2015 of Slovenia’s biggest newspaper publisher Delo by the financial management company FMR, which has next to zero media experience and strong political connections. Like its predecessors, the Cerar government has relied heavily on fast-track legislation, thereby undermining legal certainty.
Traditionally, the broad use of popular decision-making mechanisms such as referendums have been common in Slovenia. However, legislation changes made in May 2013 now limit these mechanisms. As a result, only a single national referendum – a key vote on the scope of gay couples’ rights – was initiated in 2015. The referendum eventually forced the government to withdraw a law providing far-reaching rights for same-sex couples including marriage and the right to adopt a child.

In terms of governance, Slovenia has been characterized by a strong corporatist tradition. The effects of this system on the government’s strategic capacity have been ambivalent. Under previous governments, the unions’ political influence prevented the adoption of reforms. However, as Slovenia’s economic problems became more visible and acute, the unions eventually accepted major reforms, giving the Cerar government a chance to capitalize on the support of the social partners. Partly as a result of this strong corporatist tradition, policymaking in Slovenia has suffered from a lack of strategic planning, limited reliance on independent academic experts, a weak core executive, an increasingly politicized civil service, and a largely symbolic use of RIA.

Institutional reforms under the Cerar government have largely been confined to a reshuffling of ministerial portfolios at the beginning of the term and a strengthening of the Government Office for Development and European Cohesion Policy, the public body in charge of coordinating the use of EU funds. In spring 2015, the Ministry of Public Administration prepared a first draft of the Public Administration Development Strategy which primarily aims at strengthening cooperation among municipalities in the fields of administration, public services and tourism.

Citation:

Key Challenges

While the Cerar government has lost popular support in its first year in office, it nonetheless remains in a relatively favorable political situation. Despite some quarrels inside the coalition, the government rests on stable support in the National Assembly. Divided into two right-wing and two left-wing parties rarely able to reach a consensus on goals and interests, the opposition is not
effective in blocking legislation. Prime Minister Cerar has demonstrated that his government can, in fact, cooperate effectively with the opposition, which is something Slovenian politics has not experienced often in the recent past.

In order to regain the lost support for the government and trust in the political system in general, the government must strengthen the judiciary’s quality and independence. Moreover, the civil service should be depoliticized, and the career civil-service model re-instituted. As a new party with a technocratic image, the Modern Center Party (SMC) made a strong showing in the July 2014 parliamentary elections, which underscores the extent to which many Slovenian citizens are fed up with the political polarization that has characterized the country for some time.

While the economic recovery has reduced short-term reform pressures, the need for structural reforms remains strong. Without major pension and health care reforms, the aging of the Slovenian population is likely to result in substantial fiscal pressures in the medium- and short-term. Adopting substantial reforms in these areas, as promised in the Cerar government’s coalition agreement, should be a clear policy priority. In order to strengthen the economy, the government should also limit its intervention in state-owned companies, reduce its pressure on the Bank Asset Management Company (the country’s “bad bank”), and clarify its position on how and when the privatization of the remaining state-owned enterprises should be carried out. The government should also pay proper attention R&I and higher education, two issues which have played some role in the coalition agreement, but have since been neglected.

Achieve these goals could be facilitated by a number of changes in the Slovenian policymaking process. The government could make greater use of expert advice, strengthen strategic planning and improve the RIA system. The legislation on multiannual budgeting and the new Fiscal Council should be implemented quickly. Such changes would make it easier for the government to plan and act on a long-term basis, overcome resistance by special-interest groups and win public acceptance for reforms.
Policy Performance

I. Economic Policies

Economy

As the positive economic trends from the second half of 2014 continued, the Slovenian economy kept growing strongly in 2015. Economic output is estimated to have expanded by 2.5% in 2015, following 3% in 2014. Initially driven by strong export performance, the economic recovery has become broader-based as private consumption growth has accelerated thanks to an improving labor market, rising consumer confidence and continued low energy prices. Investment in infrastructure projects co-funded by the EU also helped boost growth, while private investment began to show initial signs of recovery.

In the period under review, the management of what is still a relatively large number of state-owned enterprises was put on a new footing in June 2015 when the National Assembly authorized the Slovenian Sovereign Holding on the basis of a new corporate governance codex presented in December 2014. However, concerns about economic policy have been raised by the controversies over the privatization of state assets within the governing coalition and the dismissal of the two Swedish heads of the Bank Asset Management Company, Lars Nyberg and Torbjörn Mansson, in October 2015, which was widely perceived as an attempt to strengthen the capacity to politically influence Slovenia’s “bad bank.”

Citation:


Labor Markets

As a result of the economic recession, unemployment rates in Slovenia rose from 2009 to 2013. In 2013, the employment rate among those aged 20 to 64 fell below the EU average for the first time. In 2014 and 2015, the labor-market
situation began to improve. Unemployment dropped to 12.3% in September 2015, down from 12.6% in October 2014 and 14.2% in January 2014. The improvement in labor-market performance has been driven largely by the economic recovery. While Slovenia has a tradition of labor-market policy that dates back to Yugoslav times and participates in a number of EU-funded programs (i.e., EURES), existing programs have suffered from budget cuts and have not proven too effective.

**Taxes**

Slovenia’s tax system was overhauled in the 2004 – 2008 term, and has changed only gradually since then. Tax revenues have been relatively high in relation to GDP, but have not been sufficient to prevent the emergence of high budget deficits. Tax revenues stem from a broad range of taxes, with a high percentage of about 40% of all tax revenues coming from social insurance contributions. A progressive income tax with tax rates of 16%, 27%, 41% and, since 2013, 50% provides for some vertical equity. As the thresholds are set rather low, however, the majority of middle-income class citizens fall into the second highest category. The tax burden for enterprises is below the EU average, but higher than in most other East-Central European countries. Moreover, tax procedures for companies are complex. The Cerar government has refrained from reversing the tax increases adopted by its predecessor in the wake of the fiscal crisis and has postponed the reform of the property tax, a first version of which had been annulled by the Constitutional Court in early 2014. It has announced a comprehensive review of the tax system, with a view to abolishing inefficient tax allowance and to shifting the tax burden away from labor taxes.

Citation:

**Budgets**

Favored by the robust economic growth in 2014 and 2015, the Cerar government succeeded in bringing the deficit down from 3.4% of GDP in 2014 to less than 3% in 2015, thus making the eventual exit from the European Commission’s excessive deficit procedure, in which Slovenia has been since 2009, likely in 2016. However, fiscal adjustment has largely rested on one-off measures such as a wage freeze in the public sector. Slovenia’s structural deficit has remained relatively high, the public debt increased by three percentage points to more than 80% of GDP in 2015, and, according to the European Commission, Slovenia has the largest long-term sustainability gap of all EU
member states. In order to stress its commitment to a sustainable budgetary policy, the National Assembly, in line with the EU’s Fiscal Compact, enshrined a “debt brake” in the constitution in May 2013. However, the adoption of the corresponding legislation took until July 2015 and the members of the independent Fiscal Council in charge of overseeing the implementation of the new rules have not been appointed yet.

**Research and Innovation**

Slovenia’s R&I activities have long been of both low quality and quantity. The Cerar government several times promised to prioritize R&I, but in reality placed little emphasis on it. It has failed to increase national funds available for R&I and to raise the share of EU funds devoted to the support of research and development. In some areas of research, EU funds have even declined, as Slovenia has experienced serious administrative difficulties in absorbing funds for R&I. To develop an effective policy response to the R&I, the “2011 Research and Innovation Strategy” needs to be implemented as quickly as possible.

**Global Financial System**

Compared to most other East-Central European countries, the degree of foreign ownership within the Slovenian financial sector is low. Like its predecessors, the Cerar government did not contribute actively to improving the regulation and supervision of international financial markets. Instead, it focused on addressing financial problems within the Slovenian banking sector by implementing the bad-bank scheme devised by the Janša government. Established in March 2013, the Bank Assets Management Company (BAMC) has taken over non-performing loans in exchange for bonds backed by state guarantees.

**II. Social Policies**

**Education**

Slovenia has moved relatively rapidly from the socialist curriculum tradition toward a more flexible organization of education. With a high share of the population aged 25 to 64 having completed at least upper secondary education as well as high ranks in international educational achievement tests, the education system fares relatively well by international comparison. The most pressing problems remain the small (but slowly growing) share of pupils
enlisted in vocational education and in fields such as engineering, as well as a heavily underfunded tertiary-education system with high dropout rates and massive fictitious enrollment figures. However, the country’s oldest and largest public university, the University of Ljubljana, is regularly ranked among the world’s 500 best universities. Compared to previous governments, the Cerar government has devoted more attention to education policy. However, the passage of an announced act addressing higher education has been delayed.

Citation:


Social Inclusion

Slovenia has a strong tradition of social inclusion, with its Gini coefficient being the lowest among EU member countries. In the past, social policy focused on providing selective benefits to the elderly and to families with children. Since the onset of the economic crisis, however, social disparities have widened. The Fiscal Balance Act, adopted by the Janša government in May 2012, cut several social-benefit programs and reduced the generosity of social benefits for the unemployed. However, GDP growth in 2014 resulted in a reversal of some of these measures. As renting at market prices is expensive and social housing is in short supply, access to housing has become a problem for various vulnerable groups. The Cerar government has addressed this problem by launching a new National Housing Programme 2015-2025 in autumn 2015.

Citation:


Health

The Slovenian health-care system is dominated by a compulsory public-insurance scheme. This scheme guarantees universal access to basic health services, but does not cover all costs and treatments. In order to close this gap, citizens can take out additional insurance offered by Vzajemna, a mutual-health-insurance organization established in 1999, or, since 2006, by two additional commercial insurance companies. The quality of services, which are partly
delivered by private providers and are organized locally, is relatively good, and total health spending is well above the OECD average. However, both the compulsory public health-insurance scheme and the supplementary health-insurance funds have suffered from severe financial problems for some time, resulting in financial problems among the majority of health providers. Healthcare reform has featured prominently in the coalition agreement of the Cerar government, which promised to re-expand public scheme coverage and to delineate more clearly between standard and extra services. However, the adoption of a National Healthcare Resolution Plan has been postponed several times. During the period under review, there were two strikes organized by medical staff and doctors in April and May 2015 in which doctors demanded an average salary equal to three times the average Slovenian salary. In the biggest hospital in the country, Klinični center Ljubljana, an audit at the children’s cardiac surgical ward revealed a number of irregularities and four deaths resulting from inadequate treatment in the program.

Citation:

Families

In Slovenia, the employment rate among women is high, and above the EU average. Part-time work is rare among women, but its incidence is growing slowly. At 75.5%, the employment rate among mothers with children under six years of age was the highest in the European Union in 2012. Reconciling parenting and employment is facilitated by a provision of child-care facilities that exceeds the EU average, and meets the Barcelona targets both for children under three years of age and between three and five years of age. At 105 working days, the maximum duration of maternity leave is near the European average. Fathers have a right to 90 calendar days of paternity leave, of which only 30 are paid. These paid days must be taken during the first six months of the child’s life, while the remaining 60 unpaid days can be taken before the child is three years old. After maternity leave expires, one parent exclusively or both parents alternately have the right to take up to 260 days of unpaid leave for the care and protection of the child.

Citation:
Pensions

Slovenia has a traditional pay-as-you-go (PAYG) pension system with modest pensions, whose intergenerational fairness and financial sustainability in face of an aging society has suffered from a low employment rate for the elderly. A substantial pension reform was adopted in December 2012. This instituted a gradual increase in the full-retirement age to 65 for men and woman, or 60 for workers with at least 40 years of pensionable service. In addition, it introduced incentives for people to continue working after qualifying for official retirement, and implemented changes to the pension formula that will slow future pension growth. The Cerar government has acknowledged the need for further changes, as have employers’ associations and unions, but has postponed them to 2016-2017.

Integration

The number of foreign residents in Slovenia has dropped dramatically in recent years due to the effects of economic crisis. In 2008, about 85,000 work permits were issued to foreign workers; by 2014, this figure had fallen to only 17,457. Subsequent governments have made little effort to open up health services, schools and civic life to migrants, offer anti-discrimination support and foster political participation by migrants. Compared to its predecessors, the Cerar government paid more attention to migrant integration, and the National Assembly adopted new legislation on foreign employment in June 2015 that will simplify bureaucratic procedures and substantially raise levels of protection of foreign workers working in Slovenia. As of 1 September 2015, foreign workers receive a unified work and residency permit. They also enjoy improved protections against abuse from employers, a common problem in recent years.

Citation:

Safe Living

Slovenia’s accession to the Schengen group in December 2007 has resulted in a substantial professionalization of the Slovenian police force and border control. While the effectiveness of the police force still suffers from occasional underfunding, actual and perceived security risks are very low; when the European refugee crisis reached Slovenia in autumn 2015, the police acted professionally and effectively. Compared to other East-Central European countries, trust in the police is relatively high.
Global Inequalities

With EU accession in 2004, Slovenia’s status changed from donor to recipient of official development assistance. However, Slovenia has not been very active in international efforts to promote equal socioeconomic opportunities in developing countries. The few initiatives that exist are mostly focused on the former Yugoslavia. The prevailing attitude is that Slovenia has its own measure of socioeconomic problems to tackle and that potential Slovenian international influence is negligible. Still, Slovenia’s official development assistance comes close to the EU target.

III. Environmental Policies

Environment

Slovenia enjoys extraordinarily rich biodiversity and landscapes due to its location at the junction of several ecological regions. The country’s natural endowment has been enhanced by a tradition of close-to-natural forest management and by low-intensity farming. Forests occupy approximately 62% of the total land area, about twice the OECD average. The key mechanism for defining sustainable development goals and targets has been Slovenia’s new Development Strategy 2014 – 2020. The adoption of this strategy in late 2013 paved the way for a public debate on the new Environmental Report, with special emphasis on Slovenia’s Natura 2000 areas.

Over the last decade, Slovenia has established a comprehensive environmental legislation. It has transposed most EU environmental directives into the 2004 Environmental Protection Act and other national laws. It has introduced risk-based planning of environmental inspections and improved compliance monitoring and enforcement. Several action plans and programs are in planning: decreasing GHG emissions, risk assessment of natural and other disasters, establishing an operational program for drinking water supplies, developing a new biodiversity strategy, and creating a national development program to establish an adequate waste management infrastructure. Another instrument providing support to individuals is the ECO Fund, which creates financial incentives for various energy-efficiency measures and renewable energy schemes.
In parallel with these developments, Slovenia improved the provision of and access to environmental information. Environmental NGOs fulfill an important watchdog role, participate actively in environmental policymaking, and play a role in environmental management – for example, by helping manage nature reserves. However, as in many countries, the legal basis enabling NGOs to challenge government decisions in the courts could be strengthened. While gross expenditure on R&D for environmental purposes has more than tripled in real terms in the last decade, the country’s environmental innovation system has produced relatively little output.

Citation:

Environmental Performance Index 2014. Available at: http://epi.yale.edu/epi/country-profile/slovenia


Global Environmental Protection

More than for most other countries, geography determines the priorities of Slovenia’s international environmental relationships, notably with respect to water management and the conservation of biodiversity. Slovenia’s commitment to sustainable development on a regional and subregional scale is articulated through various cooperation agreements covering the Alps, the Danube and its tributaries, and the Mediterranean (including the Adriatic). The Dinaric Arc area is an emerging focus of cooperation. Bilateral cooperation between Slovenia and its neighboring countries includes water management agreements with Croatia, Hungary and Italy, and agreements with Austria on spatial planning in border regions. Slovenia has continued to maintain many informal contacts at a professional/technical level with the countries of the Western Balkans. Compared to these regional activities, Slovenia’s contribution to the strengthening of global environmental protection regimes has been modest.
Quality of Democracy

Electoral Processes

In Slovenia, the legal provisions on the registration of candidates and parties provide for a fair registration procedure for both national (parliamentary, presidential) and local (mayoral, council) elections. Registration requirements are straightforward and not very demanding. To establish a party, only 200 signatures are needed. The registration requirements for national parliamentary elections favor parties represented in parliament. Unlike non-parliamentary parties or non-party lists, they are not required to collect voter signatures. Candidates for the presidency must document support from at least three members of parliament or 5,000 voters. At local elections, a candidate for mayor and candidate or list of candidates for a municipal council can be proposed either by political parties or by a specified number of voters, which is dependent on the size of a municipality. Candidate lists both for national parliamentary elections and municipal assembly elections must respect a gender quota. On each list of candidates, neither gender should be represented by less than 35% of the total number of candidates on the list.

Candidacy rights became a major issue in the wake of the Patria case. Opposition leader Janez Janša was elected as a member of parliament in the 2014 parliamentary elections, but for some time had to perform his function while in prison, where he was serving a sentence for corruption. In October 2014, the parliamentary majority declared that with the effectiveness of the judgement in the Patria case, Janša had automatically lost his parliamentary mandate. After Janša’s appeal, the Constitutional Court annulled the National Assembly’s June 2015 decision. This decision prompted debates in the National Assembly about amending electoral law with a view to limiting candidacy rights of convicted and sentenced persons.

While both the public and private media tend to focus on the bigger political parties, Slovenia’s public-media regulatory system and pluralist media environment ensure that all candidates and parties have fair access to the media. The public TV and radio stations are obliged to set aside some airtime for parties to present their messages and their candidates. The establishment of a third public TV channel has provided additional airtime for political parties and candidate lists to present their views to the public. In the most recent
election campaigns for the European Parliament, the national assembly and local government bodies (all in 2014), newly established political parties were given the opportunity to participate in pre-election debates held by the public broadcaster.

The electoral process is largely inclusive at both national and local levels. All adult citizens, including convicted prisoners, can participate in elections, and no cases of voting irregularities have occurred. Voters that will not be in their place of residence on election day can ask for a special voter’s pass that allows voting at any polling station in the country. While there is no general postal vote, Slovenian citizens who live abroad as well as disabled persons unable to make it to the polling station can exercise their voting rights by mail. One Slovenian peculiarity are the special voting rights for the Hungarian and Italian minorities and the Roma population. Members of the Hungarian and Italian minorities can cast an additional vote for a member of parliament representing each minority in the national parliament. In the case of local elections, a similar provision exists for the Roma population in all municipalities with a substantial Roma minority.

According to the Act on Political Parties, parties can be financed by membership fees, donations, estate revenues, the profits of their companies’ revenues and public subsidies. If a political party wins at least 1% of all votes in the previous parliamentary elections, it is entitled to financial resources from the national budget: 25% of the total budget amount is divided equally between all eligible parties. The remaining 75% is divided among the parties represented in the National Assembly according to their vote share. In addition, parliamentary party groups can obtain additional support from the national budget for their parliamentarians’ education purposes, and for organizational and administrative support. All political parties must prepare annual reports and submit them to the National Assembly. The reports, which are submitted to the Agency of the Republic of Slovenia for Public Legal Records and Related Services, must disclose aggregate revenues and expenditures, detail any property owned by the party, and list the origins of all donations that exceed the amount of five times Slovenia’s average gross monthly salary. Parties are also required to submit post-electoral reports to the Court of Audit, which holds official responsibility for monitoring party financing. Following many calls to further increase transparency and strengthen the monitoring and sanctioning of party financing, legislation on the issue was finally amended in January 2014, barring donations from private companies and organizations. At local elections, the compensations for political parties during the electoral campaign is set autonomously by the local communities.

Slovenia has a strong tradition of direct democracy. Until a constitutional amendment in May 2013, referendums on all issues could be called by parliament, the National Council (a body representing major interest groups)
as well as by citizens themselves. As a result, many referendums were called, and in a number of cases controversial government initiatives were rejected. A May 2013 constitutional amendment, which was adopted by the legislature with an overwhelming majority, kept the relatively low threshold of signatures required for calling a referendum (40,000), but ruled out the calling of referendums by parliament and by the National Council. Moreover, the set of eligible issues was reduced so as to exclude the public budget, taxes, human rights and international agreements, the majority requirements for the validity of referendums were tightened and the period for which parliament is bound to the results of a referendum was reduced. As a result, the number of referendums has fallen. In the period under review, only one national referendum was initiated. In spring 2015, the movement “It’s about children!” started collecting signatures for a referendum on a controversial new law equalizing the rights of same-sex and opposite-sex couples and succeeded in collecting the necessary signatures in just four days. However, the National Assembly stopped the process of collecting signatures, with the ruling coalition and the two center-left opposition parties claiming that the initiative addressed human rights issues and was thus unconstitutional. The decision by the National Assembly was annulled by the Constitutional Court, so that the referendum could be held in December.

Access to Information

Slovenia’s constitution and legal system guarantee freedom of the press, and the media for the most part operate without direct political interference. The laws regulating public television and radio broadcasting reflect the strong corporatist element of Slovenian political culture. The Council of Radio-Television of Slovenia (Radiotelevizija Slovenija, RTVS) has 29 members, who are appointed by the National Assembly, but proposed by a broad variety of political and social actors. Changes to the rules and procedures in the previous years strengthened the independence of the public media by reducing the scope for discretionary cuts in public funding, and by requiring an absolute rather than relative majority for the election of the director-general of the Council of Radio-Television of Slovenia. An amendment of Article 260 of the Slovenian Criminal Code, which entered into force on October 2015, strengthened media freedom by making clear that an individual disclosing classified information no longer incurs a criminal liability.

Slovenia currently has about 1,400 different media outlets, including more than 80 radio and 40 television broadcasters (both local and cable operators). However, the public-media market share is still substantial, with Radio-Television of Slovenia (Radiotelevizija Slovenija, RTVS) running seven out of 10 national TV and radio channels (for TV: SLO1, SLO2, SLO3; for radio: Program A, Program Ars, Val 202 and Radio Slovenia International). The
strong role of the public media has raised some concerns about media pluralism. So have some important ownership changes in the print media. The controversial sale in July 2014 of Večer, the fourth-largest daily newspaper (primarily serving the northeastern part of the country), was followed by the auctioning of Slovenia’s biggest newspaper publisher Delo in June 2015. The new owner, the financial management company FMR, has little to no media experience and is run by Stojan Petrič, a business man who is believed to be politically well connected.

Slovenian law guarantees free and quite easy access to official information. Restrictions are few and reasonable (covering mostly national security and secret data issues), and there are effective mechanisms of appeal and oversight enabling citizens to access information. When access to official information is obstructed or denied, the Information Commissioner, an autonomous body that supervises both the protection of personal data as well as access to public information, can be called upon and intervene. In a number of cases, the Information Commissioner has helped citizens and journalists enforce their right of access. The new online application “Supervisor,” set up by the Commission for the Prevention of Corruption as a means of enhancing transparency in the country, has helped the public and the media access some previously restricted financial information. The most notable case was in February 2015, when Supervisor data showed that Minister for Education, Science and Sport Stanka Setnikar Cankar received more than €0.6 million (this included royalties in addition to his regular salary) in the last decade while serving as the Dean of Administration Faculty at the same time. Days after this disclosure, the minister resigned.

**Civil Rights and Political Liberties**

In Slovenia, civil rights are largely respected. Citizens are effectively protected by courts and by independent institutions like the ombudsman against infringements of their rights. However, some problems exist with regard to the integrity of the judiciary. By contrast, the duration of court proceedings has been reduced. In the first six months of 2015, the number of lawsuits from Slovenian citizens at the European Court of Human Rights (ECHR) continued to fall, and the bulk of these lawsuits has been rejected by the ECHR.

In Slovenia, political liberties are constitutionally protected and guaranteed and are respected by government institutions. The rights to assembly and association, for instance, is guaranteed in Article 42 of the Slovenian Constitution and can only be restricted in special cases. The fact that Slovenia has more civil-society organizations per capita than most other countries testifies to the protection of the freedom of association. Infringements on political liberties are rare.
**Non-discrimination Score: 7**

Slovenian law guarantees equal rights to all citizens and protects against discrimination based on prescribed criteria. There are also various forms of positive discrimination, including a gender quota in electoral law and special voting rights for the officially recognized national minorities as well as for the Roma population. Despite the legal framework, foreign workers and women are still at times paid somewhat less for the same work than Slovenian and male workers, and there have been cases of discrimination against same-sex couples. Amnesty International and others have criticized the government for not doing enough to counter discrimination toward the Roma.

**Rule of Law**

Legal certainty in Slovenia has suffered from contradictory legal provisions and frequent changes in legislation. Many crucial laws are amended on a regular basis, and contradictions in legislation are frequently tested in front of the Constitutional Court. The procedures of rule-making are misused or side-stepped by making heavy use of the fast-track legislation procedure. In the first year of Cerar’s government (September 2014 to September 2015), 52% of the 156 legislative acts proposed to the National Assembly were subjected to the fast-track legislation procedure. In the vast majority of cases, however, government and administration act on the basis of and in accordance with the law, thereby ensuring legal certainty.

While politicians try to influence court decisions and often publicly comment on the performance of particular courts and justices, Slovenian courts act largely independently. Independence is facilitated by the fact that judges enjoy tenure. The Cerar government has preserved the independence of the Prosecutor’s Office, and announced it would strengthen the independence of the judiciary by expanding its funding. In the period under review, the Constitutional Court has demonstrated its independence by annulling decisions by the governing coalition on the candidacy rights of former Prime Minister Janša and the referendum on same-sex marriages. The quality and independence of the courts became a major issue in 2015 when higher courts annulled the high-profile convictions of Janša and the former CEO of Istrabenz holding Igor Bavčar because of a lack of evidence and procedural mistakes.

In Slovenia, both Supreme and Constitutional Court justices are appointed in a cooperative selection process. The Slovenian Constitutional Court is composed of nine justices who are proposed by the president of the republic, and approved by the parliament on the basis of an absolute majority. The justices are appointed for a term of nine years, and choose the president of the Constitutional Court themselves. Supreme Court justices are appointed by parliament by a relative majority of votes based on proposals put forward by the Judicial Council, a body of 11 justices or other legal experts partly
appointed by parliament and partly elected by the justices themselves. The Ministry of Justice can only propose candidates for the president of the Supreme Court. Candidates for both courts must meet stringent merit criteria and show a long and successful career in the judiciary to be eligible for appointment.

Corruption has been publicly perceived as one of the most serious problems in Slovenia ever since 2011. In the period under review, the development has been contradictory. On the one hand, the Commission for the Prevention of Corruption stabilized itself in 2015 after a difficult start and a problematic appointment of the chief commissioner and his deputies in 2014. Moreover, the Cerar government adopted a detailed new two-year anti-corruption action plan in January 2015 and finalized the legislative amendments to three judicial acts on the basis of the GRECO recommendations (Courts Act, Judicial Service Act, State Prosecutor Act). At the same time, however, two high-profile corruption cases - the case against the former Prime Minister Janša and the former CEO of Istrabenz holding Igor Bavčar - fell apart in 2015 in ways that undermined the judiciary’s credibility.

Citation:
Governance

I. Executive Capacity

**Strategic Capacity**

The institutional capacity for strategic planning in Slovenia is rather weak. Capacities for planning in the ministries are limited, and there is no central policy-planning unit in the Government Office. After assuming office, the Cerar government announced that it would expand planning capacities, but has largely failed to deliver so far.

In Slovenia, the Government Office and the ministries have various advisory bodies that include academic experts. Prime Minister Miro Cerar, an academic himself, strongly relied on academic and practitioners’ advice when establishing his party platform, coalition and government program. While the Cerar government has regularly sought external advice, it has often failed to implement it.

**Interministerial Coordination**

Slovenia has a strong tradition of departmentalism and collegial cabinets. The Government Office focuses on the legal and technical coherence of draft bills, but lacks the capacity and sectoral expertise to evaluate their policy content, especially since the recruitment of expert staff is limited and often subject to political pressures. Prime Minister Cerar has done little to change this situation.

In Slovenia, the Government Office has the formal power to return draft laws on policy reasons or any other grounds. In practice, however, the gatekeeping role of the Government Office is of limited importance, since most legislative projects are initially discussed at coalition meetings, generally between the presidents of the coalition parties, and subsequently undergo a complex process of interministerial coordination.
The Government Office is not directly and systematically involved in line ministries’ preparation of policy proposals. Once the coalition agreement and government program have defined certain projects, full responsibility for drafting bills rests with the line ministries. The Government Office is seldom briefed about the state of affairs. If it is, consultation is rather formal and focuses mostly on technical and drafting issues.

Cabinet committees play an important role in the preparation of cabinet proposals in Slovenia and settle issues prior to the cabinet meeting. There are four standing cabinet committees: the Committee of State Matters and Public Issues, the Committee of National Economy, the Committee for Housing and the Commission of Administrative and Personnel Matters. In addition, temporary committees are from time to time established for particular tasks. In its first year in office, the Cerar government established nine of them, including cabinet committees for youth issues, problems of the disabled, student questions and protection against natural disasters.

In Slovenia, a substantial amount of interministerial coordination is performed by civil servants. Senior civil servants and cabinet members are always heavily involved in the coordination of legislation. However, the effectiveness of this coordination has suffered from the deteriorating quality and increasing politicization of the civil service, especially among high-ranking civil servants. Under the Cerar government, several prominent and experienced high-ranking civil servants were replaced by party loyalists with limited experience and even less expert knowledge.

Slovenia’s tradition of coalition governments has meant that informal coordination procedures have played a significant role in policy coordination. Under the Cerar government, the leaders of the three coalition parties met frequently, making major decisions at coalition meetings that were often also attended by the ministers and sometimes also by the leaders of parliamentary majority groups and coalition members of parliament. In press conferences and public statements after these meetings, very little information about the decisions made was provided to the public. The dominant role of the party leaders within their parties has also meant that a considerable amount of policy coordination takes place in party bodies.

**Evidence-based Instruments**

In Slovenia, RIA guidelines have largely been copy and pasted from the European Union. The guidelines call for a detailed analysis of the need for and the purpose of new regulations. In practice, however, RIA quality is very uneven, and there are no official statistics regarding implemented RIAs. As fast-track legislation is exempt from RIA, RIAs were not performed for at least a third of all new measures passed in the period under review. In early 2015, a
project for training regulatory drafters, external stakeholders and decision makers was carried out that aimed at increasing transparency and the involvement of civil society in the preparation of regulations.

Citation:

The RIA process in Slovenia suffers from a number of weaknesses. First, public participation fails to meet the legal standards. Second, the conducted RIAs are only rarely made public. Third, quality control is limited. RIA oversight is divided among several agencies; however, supervising agencies largely check for formal correctness, without addressing substantive quality.

Slovenia’s RIA guidelines provide for relatively far-reaching sustainability checks. However, the specification of assessment criteria and the set of indicators to be used suffers from gaps, and the actual quality of RIA is very uneven. In some cases, there are only vague assessments; in others, comprehensive analytical work is done.

**Societal Consultation**

Slovenia has a strong tradition of corporatism and of government consultation with interest groups more generally. The Cerar government stuck to this tradition and discussed part of its legislative initiatives in the Economic and Social Council, the tripartite body for social and economic dialogue. The government managed to reach agreement with the social partners over several cornerstones of its legislative program, including austerity measures in the public sector for 2015. In some cases, however, consultations failed to produce any results, government failed to initiate several important reforms (taxation, health system) and trade unions complained that the government did not take their positions or negotiations seriously.

**Policy Communication**

Ministerial communication with the public has been more coherent under the Cerar government than under its predecessor. Due to the prime minister’s inability or unwillingness to control his coalition partners, however, there were instances of contradictory statements given in short periods of time. In particular, the ministers from the second-strongest coalition party Democratic Party of Pensioners (DeSUS) have sometimes publicly opposed policies proposed or adopted by the coalition.
Implementation

The Cerar government’s coalition agreement has been relatively comprehensive and more detailed than those of previous governments. The agreement stipulates that the governing parties will strive to steer Slovenia through the political, social, economic and ethical crisis by securing economic growth, protecting existing jobs and creating new jobs. As for privatization, the agreement took a cautious approach and remained relatively vague. Given the lack of consensus among the coalition partners about the remaining role of the state, it did not come as a surprise that some privatization decisions led to cracks in the coalition. The promised privatization of Telekom Slovenije, the largest communication company in the country, fell victim to political opposition from within and outside the governing coalition. Other goals stated in the coalition agreement were also not met. The Cerar government failed to prepare even a first draft of the announced health-care reform in its first year in office and has not yet come up with a framework for pension reform.

As head of a coalition government, Prime Minister Cerar primarily relied on frequent coalition meetings of narrow (including only the presidents of coalition parties) or broader composition (including ministers and members of parliament as well) in order to ensure the implementation of the government’s program. While five ministers resigned or were removed from the Cerar government in first 12 months in office, these changes were only partly due to controversies over the government’s course.

The weak capacity of the Government Office (GO) and the predominance of coalition governments have limited the GO’s role in monitoring line ministries’ implementation activities. The GO tends to respect the assignment of ministries in the coalition agreement, and most monitoring takes place in coalition meetings.

Following the passage of the 2002 Civil Service Act, which has made it easier for the government to get rid of unwanted personnel, politicization has increased in Slovenia’s executive agencies. Despite a rhetorical commitment to depoliticization in public administration in the 2014 coalition agreement, the Cerar government has replaced a number of experienced senior and even some mid-level civil servants with less qualified staff loyal to the coalition parties, and has filled leading positions in executive agencies with politically loyal personnel. Also, ministerial cabinets are largely filled with politically loyal personnel that usually lack the requisite expertise to carry out its functions and aid the minister. Political and personal ties have prevented the prosecution of misconduct and incompetency.

Municipal governments – the sole tier of subnational self-government in Slovenia – have suffered substantial fiscal difficulties for some time.
Cerar government has focused on bringing down the bureaucratic burdens without reducing the number of municipalities. However, the measures taken have not been very effective, and municipalities have suffered from the government’s decision to postpone the re-introduction of the property tax. Government proposals to lower central government transfers have met resistance by the Association of Municipalities and Towns of Slovenia (SOS) and the Association of Municipalities of Slovenia (ZOS). In September 2015, both associations have filed a lawsuit to Ljubljana District Court against central government, arguing that the latter has broken an agreement on the amount of central government transfers for 2015.

The Slovenian Constitution, the European Charter on Local Government (ratified in 1996) and the Local Government Act give municipalities responsibility for all local public affairs and some autonomy in implementing national legislation. In practice, however, financing constraints and a limited administrative capacity in the larger number of small municipalities limit local autonomy, and Cerar government did little, if anything, about it. Policymakers at the national level tend to neglect local interests.

In Slovenia, public-service standards are poorly defined, especially with regard to the independent functions of municipal governments. As every municipality is autonomous in providing such services, their extent and quality differ substantially across the country. Financial controls and inspections are often ineffective due to the lack of resources and staff. Moreover, the monitoring of standards is often highly fragmented. In the case of health care, for instance, the Public Agency for Drugs and Medical Accessories, the National Institute for Health Protection, the Public Health Inspectorate and the Office for Drugs and Pharmaceutical Control all play oversight roles.

Adaptability

Upon EU accession, Slovenia developed a complex system for coordinating European affairs, with the Ministry of Foreign Affairs serving as the central coordinator. The Cerar government left this system largely unchanged. In order to increase the absorption of EU funds, it created a new ministry without portfolio with responsibility for development, strategic projects and cohesion and changed procedures. As a result, the absorption rate substantially increased.

Citation:
Like its predecessors, Prime Minister Cerar’s government was preoccupied with domestic political and economic issues, and paid little attention to improving institutional capacity for shaping and implementing global initiatives. The country’s main international focus has been on shaping the European Union’s policy toward the western Balkans, where Slovenia sees its strategic interests. In July 2015, the Croatian parliament abandoned the Slovenian-Croatian border dispute arbitration case, not only significant for Slovenia and Croatia, but also for the broader Western Balkan region, which could use the good practice as a model for solving many border disputes unresolved to this day.

**Organizational Reform**

There is no regular self-monitoring of institutional arrangements in Slovenia. The monitoring that takes place is ad hoc and limited. The annual reports of state organizations are formal and self-congratulatory. Under the Cerar government the number of audits performed by private-sector organizations remained low.

At the beginning of its term, the Cerar government increased the number of ministries from 13 to 16 and changed ministerial portfolios. By establishing separate ministries for public administration, infrastructure and environment/spatial planning, as well as by creating a ministry without a portfolio responsible for development, strategic projects and cohesion, it improved its strategic capacity. The strengthening of the Government Office for Development and European Cohesion Policy and the changing procedures associated with the creation of a new ministry for development, strategic projects and cohesion have helped increase the absorption rate. In spring 2015, the Ministry of Public Administration prepared a first draft of the Public Administration Development Strategy and conducted three open-call debates with stakeholders and the public. One of the most important goals of the strategy is to develop closer cooperation between municipalities in the fields of public services (particularly in water supply and public utilities), tourism, municipal administration, communal services, and inspectors.
II. Executive Accountability

Citizens’ Participatory Competence

Slovenian citizens’ knowledge of government policymaking is rather limited. While both print and electronic media provide adequate information, certain segments of the population lack media literacy, and a majority of citizens is simply not interested in the details of policymaking. The recurring corruption and political scandals have led to frustration and disenchantment for a majority of the population. According to a Eurobarometer survey conducted in June 2015, only 7% of respondents trusted political parties (EU28 average 16%), and just 18% trusted the national government (EU28 average 31%).


Legislative Actors’ Resources

Slovenian members of parliament command sufficient resources to perform their jobs effectively and to monitor government activity. Each MP has a personal budget for education and literature acquisition as well as access to research and data services provided by the Research and Documentation Section. Additional resources are available to parliamentary party groups for organizational and administrative support, and for hiring expert staff. Parliamentary groups must have a minimum of three MPs.

In Slovenia, parliamentary committees have the right to ask for almost all government documents, and they can discuss any document in sessions either open or closed to the public. However, the Cerar government, similar to previous governments, sometimes delivered draft bills and other documents at the last minute or with considerable delay, thereby infringing on the work of the committees and obstructing public debate on the proposals.

The right of parliamentary committees to summon ministers is enshrined in the Rules of Procedure of the National Assembly of Slovenia. Ministers regularly follow invitations; if they are unable to attend in person, they can also authorize state secretaries to represent them. Ministers are also obliged to answer questions from members of parliament, either in oral or written form, and this obligation is largely respected in practice. In the first half of 2015, members of parliament submitted a total of 953 questions and initiatives to members of the government, and only 16 have not been answered.
Parliamentary committees in Slovenia may invite experts or form expert groups in charge of helping to draft legislative proposals. Under the Cerar government, the number of experts invited has increased. Parliamentary committees have launched several public expert discussions on important pieces of legislation.

The Slovenian parliament has two kinds of working bodies – committees, which normally cover the work of ministries, and commissions, some of them standing, which deal with more specific issues such as the rules of procedure, the supervision of intelligence and security services or the national minorities. In the 2012 – 2014 parliamentary term, the task areas of ministries and committees largely matched. Only one committee, the Committee on EU Affairs, lacked a clear ministerial counterpart, and the ministry without portfolio responsible for Slovenes living abroad was covered by a commission. Only two out of about 10 commissions – the Commission for Petitions, Human Rights and Equal Opportunities and the Commission for National Communities – dealt with several ministries. Although the number of government ministries has increased under the Cerar government, the structure of parliamentary working bodies has not changed in the new legislative term. As a result, the Committee for Internal Affairs, Public Administration and the Committee for Infrastructure, Environment and Spatial Planning now oversee two ministries each.

According to Article 150 of the Slovenian Constitution, the Court of Audit is the supreme auditing authority in all matters of public spending. The Court of Audit is an independent authority accountable exclusively to parliament. The Court of Audit scrutinizes the performance of national and local governments and all legal persons established or owned by them. The chairman and the two vice-chairmen are elected by the parliament for nine years – on the basis of secret ballots – and the office reports regularly and whenever requested to the parliament. The Court of Audit has far-reaching competencies and enjoys a good reputation. However, its position is somewhat limited by a lack of resources. While it can propose its own budget to the legislature, the ultimate decision regarding the Court’s resources rests with parliament.

In addition to the parliament’s Commission for Petitions, Human Rights and Equal Opportunities, there is an independent ombudsman, who is accountable
exclusively to parliament. The ombudsman is elected by parliament for a term of six years and reports regularly to the legislature. The current ombudsman, Vlasta Nussdorfer, was elected in February 2013 with the broadest majority yet seen in the country’s short parliamentary history (82 out of 90 votes). She enjoys a good reputation and is quite effective in settling issues. Her annual reports focus on problems with the judiciary and on the Roma issue. As with previous ombudspersons, however, Nussdorfer’s role has been occasionally constrained by the lack of interest from parliament and the inactivity of the ministries.

**Media**

In Slovenia, the majority of both electronic and printed mass media fail to provide high-quality information on government decisions and mostly focus on superficial subjects. However, there is a clear distinction to be made between the private and public media here. Whereas the private media, especially private electronic media, tend to focus on non-political information and infotainment, the public media, especially television and radio broadcasters, put much more emphasis on providing high-quality information about government decisions. They even devote some attention to the debates preceding these decisions. This particularly applies when debates are initiated by the government.

**Parties and Interest Associations**

Slovenian party law leaves political parties with some organizational autonomy. Political parties are very heterogeneously organized, with some organized only on the micro level – that is, in each of the 212 municipalities – and others organized only on the macro level. Access to decision-making processes is normally restricted to party members. Whereas party members have the formal right to participate in decisions, the party leadership controls the candidate lists and the policy agendas. The details of internal party decision-making are not widely known to the public, as most decisions are made behind doors that are firmly shut.

In Slovenia, with its strong corporatist tradition, economic-interest associations are very well organized and possess relatively strong analytical capacities. Most economic and social policies are discussed in detail in the Economic and Social Council, a tripartite body. Trade unions and employers’ associations do not have their own research institutes, but cooperate with universities and think tanks. Trade unions’ analytical capacities have suffered from the fragmentation associated with the coexistence of seven separate union confederations.
Slovenia’s vibrant third sector has been quite active in monitoring government activities. Most interest associations have considerable policy knowledge, and many can rely on think tanks that involve various experts from the universities and research institutes in their work. Policy proposals developed by interest associations, although not numerous, have been featured prominently in the media.
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